June 20, 2016

Marathon Oil Announces STACK Acquisition

Expands STACK 2P Resource to over 1 Billion BOE

Houston, June 20, 2016 (GLOBE NEWSWIRE) -- Marathon Oil Corporation (NYSE:MRO) today announced the signing of a definitive purchase and sale agreement to acquire PayRock Energy Holdings, LLC ("PayRock"), a portfolio company of EnCap Investments, for $888 million. PayRock has approximately 61,000 net surface acres and current production of 9,000 net barrels of oil equivalent per day (boed) in the oil window of the Anadarko Basin STACK play in Oklahoma.

Highlights:

- High quality inventory immediately competes for capital allocation within Marathon Oil's portfolio
- $4.5 - 4.0 million completed well costs offer 60 - 80% before-tax IRRs at $50 WTI
- 330 million BOE 2P resource with 490 gross company operated locations
- 700 million BOE total resource potential from increased well density in Meramec and Woodford, as well as Osage development
- Implied acreage value of $11,800 / acre adjusting for proved developed producing (PDP) reserves

"Acquiring PayRock's STACK position will meaningfully expand the quality and scale of Marathon Oil's existing portfolio in one of the best unconventional oil plays in the U.S.," said Marathon Oil President and CEO Lee Tillman. "They've built a material position in the high margin oil window of the STACK, and have consistently delivered industry-leading well results. The recent moves we've taken to strengthen the Company's balance sheet, including the successful execution above the top end of our non-core asset divestiture target, have positioned us to be opportunistic to acquire what is an excellent strategic fit.

"We expect the 2016 capital program on the acquired acreage will be covered within our current $1.4 billion budget. As we look into 2017, we would anticipate a minimum four-rig drilling program in our pro forma STACK position, which will achieve leasehold drilling requirements while accelerating delineation work."

The transaction is subject to customary closing conditions and is expected to close in third quarter 2016, funded with cash on hand.

The Company will conduct a question and answer webcast / call on Monday, June 20, at 9:00 a.m. ET to discuss the acquisition. To participate in the call, please dial 800-446-2782 and ask for the Marathon Oil conference call. The conference call ID is 42825708. The associated commentary and answers to questions will include forward-looking information. To listen to the live webcast, visit the Marathon Oil website at http://www.marathonoil.com. Associated slides will be posted to the Company's website and to its mobile app approximately one hour before the scheduled call.

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Forward-looking Statements

This release (and oral statements made regarding the subjects of this release) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These are statements, other than statements of historical fact, that give current expectations or forecasts of future events, including, without limitation: the Company's operational and financial strategies, including the PayRock acquisition, drilling plans, rig count, asset development, non-core asset sales and the Company's divestiture target, drilling efficiencies, balance sheet strength, and cost reductions; the Company's ability to successfully effect those strategies and the expected timing and results thereof; the Company's ability to cover its 2016 capital program on the acquired acreage within its current $1.4 billion budget; and achieve its objective of living within its means; and statements related to the PayRock acquisition, including expected timing, planned financing, valuation, resource estimates, production estimates and asset quality, and the expected benefits thereof.

While the Company believes its assumptions concerning future events are reasonable, a number of factors could cause results to differ materially from those projected, including, without limitation: conditions in the oil and gas industry, including

supply/demand levels and the resulting impact on price; changes in expected reserves or production levels; changes in political or economic conditions in the jurisdictions in which the Company operates; capital available for exploration and development; well production timing; availability of drilling rigs, materials and labor; difficulty in obtaining necessary approvals and permits; non-performance by third parties of their contractual obligations; unforeseen hazards such as weather conditions, acts of war or terrorism and the governmental or military response thereto; cyber-attacks; changes in tax, environmental and other regulations; other geological, operating and economic considerations; the Company's inability to complete the PayRock acquisition; and the risk factors, forward-looking statements and challenges and uncertainties described in the Company's 2015 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases, available at www.marathonoil.com. The Company undertakes no obligation to revise or update any forward-looking statements whether as a result of new information, future events or otherwise.

Cautionary Note to Investors - The U.S. Securities and Exchange Commission ("SEC") permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC's definitions for such terms. Any resource estimates in this release, such as 2P Resource or total resource, that are not specifically designated as being estimates of proved, probable or possible reserves, may include other estimated resources that the SEC's guidelines prohibit us from including in filings with the SEC. Investors are urged to closely consider the disclosures in the Company's periodic filings with the SEC, available at www.marathonoil.com or on the SEC's website at www.sec.gov.

Editor's Note:
2P Resource - Most likely or "2P" volumes represent most likely deterministic estimates of proved plus probable reserves as defined by the SEC, plus contingent or "2C" volumes with the same technical certainty as proved and probable reserves that are expected to be recovered but that cannot yet be classified as reserves, or the P50 on the cumulative distribution of results from probabilistic estimates.

Investor Relations Contacts:
Zach Dailey: 713-296-4140

Media Relations Contacts:
Lee Warren: 713-296-4103
Lisa Singhania: 713-296-4101